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December 14, 2006

VIA EFILING AND HAND DELIVERY

Charles L.A. Terreni, Esquire
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

COPY
Posted: led
Dept: S.A.
Date: 12/15/06
Time: 4:45

Re: Petition of the Office of Regulatory Staff to Require ConnectNow! Telecom, LLC
("ConnectNow") to Issue Refunds
PSC Docket No.: 2006-328-C

Dear Mr. Terreni:

Enclosed for filing please find the original and one (1) copy of the Office of Regulatory Staff's Motion For Default Judgment For Failure To Answer.

The Office of Regulatory Staff ("ORS") respectfully requests that the Public Service Commission of South Carolina ("the Commission") extend the testimony due dates and hearing in this matter for forty-five (45) days while ORS's Motion for Default Judgment is pending. If ORS's Motion for Default Judgment is granted, the only issue remaining will be the amount of the refunds due and payable. This additional time will also allow ORS to attempt to determine what refunds are owed.

It should also be noted that on or about December 14, 2006, ORS filed a Petition for a Rule to Show Cause against several telecommunications carriers for failure to submit annual reports and universal service fund reports. ConnectNow is one of the carriers included in the Rule to Show Cause.

The attached documents are exact duplicates, with the exception of the form of the signature, of the e-filed copy submitted to the Commission in accordance with its electronic filing instructions. Please date stamp the one extra copy for our office and return it to me via the return envelope provided.

ORS is appreciative of the Commission's consideration of this matter, and please let me know if you have any questions.

Sincerely,

Nanette S. Edwards

Nanette S. Edwards

RECEIVED

DEC 15 2006

PSC SC
DOCKETING DEPT.

NSE/pjm

cc: ConnectNow! Telecom, LLC (via certified mail)

**This Document Is An Exact Duplicate, With The Exception Of
The Form Of The Signature, Of The E-Filed Copy Submitted
To The Commission In Accordance With Its Electronic Filing
Instructions**

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2006-328-C

December 14, 2006

Office of Regulatory Staff)	
Petitioner)	
v.)	Motion for Default Judgment
)	For Failure to Answer
ConnectNow! Telecom, LLC)	
Respondent)	

The Office of Regulatory Staff (“ORS”) pursuant to 26 S.C. Code Regs. § 103-840 and Rule 55 of the South Carolina Rules of Civil Procedure files this Motion for Default Judgment based on Respondent’s failure to answer. In support of its Motion, ORS provides as follows:

1. ORS is a state agency with its offices located at 1441 Main Street, Suite 300, Columbia, South Carolina 29201.
2. ConnectNow! Telecom, LLC, is a competitive local exchange carrier with offices located at 3800 Fernandina Road, Suite 150, Columbia, South Carolina 29210, and its registered agent, Mr. Andrico Carter, is also located at 3800 Fernandina Road, Suite 150, Columbia, South Carolina 29210.
2. The Public Service Commission of South Carolina (“the Commission”) is a state agency constituted pursuant to the laws of the State of South Carolina with its business offices located in Columbia, South Carolina. Further, the Commission has jurisdiction over telephone utilities operating for compensation as set forth in S.C. Code Ann. § 58-3-140 and §58-9-10 et seq. (Supp. 2005).

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Instructions**

3. ORS is charged with the duty to protect the public interest pursuant to S.C. Code Ann. §58-4-10, et seq. as enacted by 2004 S.C. Acts 175.

4. ConnectNow! Telecom LLC (“ConnectNow”) is currently operating as a “telephone utility” as defined in S.C. Code Ann. §58-9-10(6) (Supp. 2005) in that it is a corporation owning or operating in this State equipment or facilities for the transmission of intelligence by telephone for hire, including all things incident thereto and related to the operation of telephones.

5. ConnectNow is subject to the jurisdiction of the Commission pursuant to S.C. Code Ann. §58-9-710 et seq. as amended by 2006 S.C. Acts 318. Further, ConnectNow submitted itself to the jurisdiction of the Commission by holding a Certificate of Public Convenience and Necessity granted to it by the Commission pursuant to Order No. 2003-451(A).

6. ConnectNow operates as a provider of prepaid local exchange service in various areas of South Carolina, including areas served by incumbent companies Verizon South, Inc., and Farmers Telephone Cooperative, Inc. ConnectNow operated in areas served by BellSouth Telecommunications, Inc., (“BellSouth”) prior to October 10, 2006. On October 10, 2006, BellSouth disconnected ConnectNow for nonpayment.

7. On October 20, 2006, ORS filed a Petition to Require ConnectNow to issue refunds to those customers who had pre-paid for local services which were terminated on October 10, 2006.

8. On October 25, 2006, the Commission issued a thirty day notice instructing ConnectNow to file an Answer to the ORS Petition with the Commission and to serve a copy of such Answer on ORS. The thirty day notice advised Respondent that if an Answer was not filed

within thirty days after service, exclusive of the day of service, ORS would be permitted to apply to the Commission for the relief demanded in the Petition

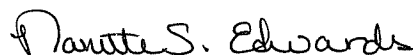
9. The thirty day deadline for filing an Answer set in the Commission Notice of October 25, 2006 has since passed and Respondent has failed to file any form of responsive pleading to the ORS Petition. Pursuant to Rule 55(a) of the S.C. Rules of Civil Procedure, “when a party against whom a judgment for affirmative relief is sought has failed to plead or otherwise defend as provided by these rules and that fact is made to appear by affidavit or otherwise, the clerk shall enter his default upon the calendar.” In the instant matter, the Commission properly served the Respondent at the address of its registered agent which is also the company’s principal place of business.

10. 26 S.C. Code Regs.103-841.B.2 (Supp. 2005) provides that if the defendant fails to timely file its answer, unless an extension is granted, the defendant is deemed in default and all relevant facts are deemed admitted. No extension of time for filing an Answer has been requested or granted in this matter. ORS requests that the Commission enter an Order for default judgment.

11. Additionally, ORS requests that the Commission set a hearing date solely for the purpose of determining the amount of refunds due to each customer. Pursuant to Rule 55(b)(2) of the S.C. Rules of Civil Procedure, “[i]f, in order to enable the court to enter judgment or to carry it into effect, it is necessary to take an account or to determine the amount of damages or to establish the truth of any averment by evidence or to make an investigation of any other matter, the court may conduct such hearing or order such references as it deems necessary and proper...”

WHEREFORE, the ORS respectfully requests that the Honorable Commission:

1. Enter an Order finding that the Respondent is in default in this matter and granting the relief demanded in the ORS Petition;
2. Order, schedule, and conduct a formal administrative hearing for the purpose of determining the amount of refunds to be issued by Respondent as demanded in the ORS Petition;
and
3. For other appropriate action which the Commission may deem necessary.



Nanette S. Edwards, Esquire

Office of Regulatory Staff

P.O. Box 11263

Columbia, South Carolina 29211

December 14, 2006
Columbia, South Carolina

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA


DOCKET NO. 2006-328-C

December 14, 2006

Office of Regulatory Staff)	
Petitioner)	
v.)	Certificate of Service
)	
ConnectNow! Telecom, LLC)	
Respondent)	

This is to certify that I, Pamela J. McMullan an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **Motion for Default Judgment For Failure to Answer** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, certified mail, and addressed as shown below:

Andrico Carter
ConnectNow! Telecomm, LLC
3800 Fernandina Road
Suite 150
Columbia, SC 29210



Pamela J. McMullan

December 14, 2006
Columbia, South Carolina